

TENNESSEE REGULATORY AUTHORITY



Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

January 11, 2001

TRANSMITTED VIA FAX
(202) 424-7643 / ORIGINAL TO FOLLOW VIA U.S. MAIL

Mr. Michael Mendelson
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116

RE: Domino Networks Communications, Inc. (01-00013)

Dear Mr. Mendelson:

The Tennessee Regulatory Authority requests the following information regarding the Application of Domino Networks Communications, Inc. ("DNC") for a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services throughout the State of Tennessee:

Financial Requirements:

Provide the following financial information of the Applicant:

1. Current financial statements for the year ended December 31, 2000 for Domino Networks Communications, Inc. (The balance sheet, income statement, and statement of cash flows-exhibit C contained projected profit and loss statements for the years 2000 through 2003 with a pro forma balance sheet as of December 12, 2000 without an income statement or a statement of cash flows.). Therefore, please file complete year ended December 31, 2000 financial statements.
2. Corrected and complete projected financial statements where all schedules agree. Exhibit D contains a projected profit and loss statement with *Earnings Before Interest Taxes, Depreciation and Amortization* that reflect substantial Net Losses, which are not reflected in the equity section of the projected balance sheets. Please provide projected income statements that reflect *Net Income after Interest, Taxes, Depreciation and Amortization* and agree with the projected balance sheets. Additionally provide a projected statement of cash flows for the same years.
3. Sources of funding DNC when the financial statements contain projected net losses.

4. Reminder: TCA §65-4-125 amendment states that by September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, *except* those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotated, §65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than five million (\$5,000,000), shall file with the authority a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the Authority. **Submit a corporate surety bond to the TRA on the provided forms, if applicable.**

Please submit the requested information by January 25, 2001. If you have any questions, please contact this office at (615) 741-2904 (ext. 132).

Sincerely,

A handwritten signature in black ink, appearing to read "KD Waddell". The signature is stylized with a large "K" and "D" and a cursive "Waddell".

David Waddell
Executive Secretary

C: Docket file
Woody Traylor @ Domino Networks Communications, Inc.